

**MINUTES OF
MISSISSIPPI TORT CLAIMS BOARD
THURSDAY, NOVEMBER 12, 2015**

The Mississippi Tort Claims Board (Board) meeting was held at 1:30 p.m. in Room 138, Woolfolk State Office Building; 501 North West Street; Jackson, Mississippi.

The following members were present, constituting a quorum:

P. Ryan Beckett, Chairman
Chaney, Mike; Commissioner, MS Insurance Department
Jackson, Laura; Deputy State Treasurer, Representing Treasurer Lynn Fitch
Kelsey, Christina; Representing Insurance Commissioner Mike Chaney, MS Insurance Department
Lanford, Mike; Deputy Attorney General, Representing Attorney General Jim Hood
Upchurch, Kevin; Executive Director, MS Department of Finance and Administration

Also present were:

Davis, Thomas; Office of the State Treasurer
Donaldson, Bruce; Tort Claims Board
Kelly, Trina; Tort Claims Board
Logan, Jim; Tort Claims Board
McElroy, Lea Ann; Tort Claims Board
Milner, Steve; Tort Claims Board
Montague, Brian; Law Offices of Brian A. Montague
Preziosi, Misti; Office of the State Treasurer
Rayburn, Amanda; Cannon Cochran Management Services, Inc.
Younger, Jim; Department of Public Safety
Woodcock, J. D. "Woody"; Attorney General's Office

The Chairman called the meeting to order.

Motion was made by Mr. Lanford to approve the minutes of the September 17, 2015, meeting. Mrs. Kelsey seconded the motion, which passed unanimously.

In Old Business, Misti Preziosi presented the Investment Policy which was amended following meeting with Investment Manager, Jeff Wilson. Mrs. Jackson made a motion to accept the Investment Policy as amended. Mr. Lanford seconded the motion, which passed unanimously.

In New Business, Board members reviewed the meeting dates for 2016. No conflicts were noted, so at present, the schedule will stand as noted.

Mr. Logan presented the financial report for fiscal year 2016 through October 31, 2015. The Cash Flow Analysis details assessment revenue of just under \$3 million (of a \$4.5 million total assessment) and expenditures of \$2.3 million. Mr. Logan advised that we have total funds of \$15.7 million, including \$10.2 million in reserves and \$5.5 million in unencumbered funds. We have paid claim losses totaling \$825,182 to-date, legal expenses of \$173,651 and other expenses of \$10,224. The average claim paid is \$2,797 and the average reserve is \$13,010. The Budget Comparison Report details 16% of allotted budget expended.

Mr. Logan also presented the investment report through October 2015. The portfolio currently has just under \$13 million invested. The internal rate of return for the calendar year is 1.21%, the current book yield is 1.81%, and the market yield of the portfolio is 1.74%. The weighted average life of the portfolio is approximately 2.5 years. The portfolio has earned just over \$154,000 for calendar year 2015, and over \$35,000 for the fiscal year. The portfolio is earning just over 1.2% compared to an index of 2.42%. On the total return, the portfolio grew at 2.56% while the index was 1.96%. With regard portfolio composition, Mortgage Backed Securities currently sit at 37% and that will come down to 30% by December 31 to stay in line with the Investment Policy.

[Commissioner Chaney entered the meeting.]

Mr. Milner provided members a report of his Loss Control activities since the last Board meeting. Most notable are the 14 days of Mississippi State Fair duty in October. While we do not know attendance figures at this time, we report only one claim arising from the event.

No Attorney General's Report.

Mrs. McElroy presented a list of 136 political subdivisions with the recommendation that all be approved for renewal of Certificates of Coverage. Mr. Lanford made a motion to approve the list and Mrs. Jackson seconded the motion, which passed by unanimous vote.

Mrs. McElroy also presented a recommendation to approve the Mississippi School Boards Association (MSBA) Liability Trust for renewal. Membership has increased somewhat, combined projected losses are below projections, funding exceeds the 90% level, and MSBA will be required to continue quarterly reporting for the next year. Mr. Lanford made a motion to accept the staff recommendation for renewal. Mrs. Jackson seconded the motion, which passed by unanimous vote.

Lastly, Mrs. McElroy presented a proposal from Singing River Health Systems to increase their deposit schedule from \$100,000 to \$123,393 for the next eight (8) months to get them to the 90% funding level by June 30, 2016. Following discussion, Mr. Lanford made a motion to approve the proposal, which was seconded by Mrs. Jackson. The motion passed unanimously.

Mr. Lanford made a motion for the Board to enter Closed Session for the discussion of possible litigation. Mrs. Jackson seconded the motion, which passed. Commissioner Chaney then made a motion to set the agenda to discuss litigation strategies relative to agenda items VIII

and IX. Mrs. Jackson seconded the motion, which passed. Lastly, Mr. Lanford made a motion for the Board to enter Executive Session, which was again seconded by Mrs. Jackson and passed unanimously. Chairman Beckett asked all visitors to clear the room. [Mr. Upchurch entered the meeting.] Mr. Sumrall and Mr. Woodcock made reports to the Board. Commissioner Chaney then made a motion to exit Executive Session. Mrs. Jackson seconded the motion, and the motion passed with a unanimous vote.

There being no further business to come before the Board, the meeting was adjourned.



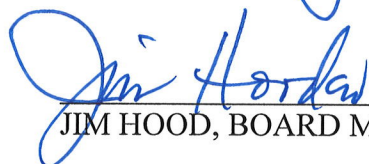
P. RYAN BECKETT, CHAIRMAN



MIKE CHANEY, BOARD MEMBER



LYNN FITCH, BOARD MEMBER



JIM HOOD, BOARD MEMBER

GARY RIKARD, BOARD MEMBER



ALBERT SANTA CRUZ, BOARD MEMBER

by James W. Young, Jr.



KEVIN J. UPCHURCH, BOARD MEMBER

Mississippi Tort Claims Board
Thursday, November 12, 2015 – 1:30 P.M.

AGENDA

- I.** Approval of Minutes
 - A. September 17, 2015

- II.** Old Business
 - A. Investment Policy

- III.** New Business
 - A. 2016 Board Meeting Dates

- IV.** Financial Reports
 - A. Financial Report – Jim Logan
 - B. Investment Report – Jeff Wilson

- V.** Loss Control – Steve Milner

- VI.** Attorney General’s Report – Lea Ann McElroy

- VII.** Certificates of Coverage – Lea Ann McElroy
 - A. Mississippi School Boards Association Casualty Trust
 - B. Singing River Health System

- VIII.** Claims Report – Bruce Donaldson
 - A. Estate of Miguel Nieves vs. Mississippi Department of Public Safety
 - B. Gaines & Daniels vs. Mississippi Department of Public Safety
 - C. Estate of Woods & Lindsey vs. Mississippi Department of Transportation

- IX.** Continued Discussion of Litigation Strategies

- X.** Adjournment

Next meeting date and time: January 14, 2016 – 1:30 P.M.
Meeting location: Suite 138, Conference Center North, Woolfolk Building, Jackson, MS

**MINUTES OF
MISSISSIPPI TORT CLAIMS BOARD
THURSDAY, SEPTEMBER 17, 2015**

The Mississippi Tort Claims Board (Board) meeting was held at 1:30 p.m. in Room 138, Woolfolk State Office Building; 501 North West Street; Jackson, Mississippi.

The following members were present, constituting a quorum:

P. Ryan Beckett, Chairman
Jackson, Laura; Deputy State Treasurer, Representing Treasurer Lynn Fitch
Kelsey, Christina; Representing Insurance Commissioner Mike Chaney, MS Insurance
Department
Lanford, Mike; Deputy Attorney General, Representing Attorney General Jim Hood

Also present were:

Burkhalter, Chris; Bickerstaff, Whatley, Ryan & Burkhalter
Davis, Thomas; Office of the State Treasurer
Donaldson, Bruce; Tort Claims Board
Kelly, Trina; Tort Claims Board
Logan, Jim; Tort Claims Board
McElroy, Lea Ann; Tort Claims Board
Milner, Steve; Tort Claims Board
Preziosi, Misti; Office of the State Treasurer
Rayburn, Amanda; Cannon Cochran Management Services, Inc.
Wilson, Jeff; Trinity Capital
Younger, Jim; Department of Public Safety
Wells, Teresa; Tort Claims Board
Woodcock, J. D. "Woody"; Attorney General's Office

The Chairman called the meeting to order.

Motion was made by Mr. Lanford to approve the minutes of the July 9, 2015, meeting. Mrs. Kelsey seconded the motion, which passed unanimously. The Chairman thanked Mr. Lanford for serving as Chair in his absence.

There was no Old Business.

In New Business, Mrs. McElroy presented a contract renewal for Marsh ClearSight LLC (formerly CS STARS LLC) as software licensor and application service provider for the claims database. The contract reflects a 3% annual increase (\$1,332/year) as well as a storage increase from 1GB to 3GB to accommodate an increase in the database size now and for growth over the

future contract period. Mr. Lanford made a motion to approve the contract, seconded by Mrs. Jackson. The motion passed unanimously.

Also under New Business, Mrs. McElroy recognized Mrs. Preziosi to present the Investment Policy recommendation for renewal. Following discussion, which included Mr. Wilson, the policy was tabled for reconsideration in November in anticipation of minor adjustments to the portfolio requirements which will be discussed between Mrs. Preziosi and Mr. Wilson.

Mr. Logan presented the financial report closing out fiscal year 2015 through the August lapse period. The majority of expenditures during the lapse period were contractual for legal fees. Mr. Logan also presented the financial report for fiscal year 2016 through August 31, 2015. The Cash Flow Analysis details expenditures of just over \$550,000. Mr. Logan advised that we have total funds of \$13.7 million, including \$9.2 million in reserves and \$4.5 million in unencumbered funds. We have paid claim losses totaling \$171,000 to-date. The average claim paid is \$1,150 and the average reserve is \$11,974.

Mr. Wilson presented the investment report through August 2015. The portfolio currently has just under \$13 million invested with a market value of just under \$12.9 million. The internal rate of return for the calendar year is just under 1.4%, the current book yield is just under 2%, and the market yield of the portfolio is 2.03%. That number will probably drop this month to be back in line with the overall yield of the portfolio. The weighted average life of the portfolio is just under 3 years, keeping us in compliance with the investment policy. The portfolio has earned just over \$121,000 for calendar year 2015. The portfolio is earning just under 1.4% compared to an index of 1.9%. That gap should narrow some in the last quarter but it will not get back to even. On the total return, the portfolio grew at 2% while the index was 1.48%. With regard to maturity distribution, because we are able to operate on the annual assessments, we will restructure the majority of the portfolio to 2-5 years until such time that we need to pull operating funds generated from the portfolio.

Mr. Milner provided members a report of his Loss Control activities since the last Board meeting. The Mississippi State Fair runs October 7-18. This is the first year with a completely new management team at the Fairgrounds and we are working to be very proactive with them. Recently we completed a comprehensive grounds inspection and recommended approximately \$55,000 in improvements to walking surfaces. Next week we'll be meeting with local and county officials to coordinate safety operations.

Mrs. McElroy presented two (2) attorneys for inclusion in the approved Attorney Register: B. Adam Hays of Manion Gaynor & Manning, LLP in Hattiesburg and Scott Burnham Hollis of Hollis Legal Solutions, PLLC in Olive Branch. Both meet the eligibility requirements of the Board and staff recommends approval. Mr. Lanford moved to approve and Mrs. Kelsey seconded. The motion passed unanimously.

Mrs. McElroy presented a list of 91 political subdivisions with the recommendation that all be approved for renewal of Certificates of Coverage. Mr. Lanford made a motion to approve the list and Mrs. Kelsey seconded the motion, which passed by unanimous vote.

Mr. Donaldson presented a summary report and settlement recommendation from our defense attorney, Billy Campbell of Hunt Ross & Allen, in the case of Debra T. Roberson, et al. vs. Mississippi Department of Transportation. Mr. Lanford made a motion to authorize settlement in the amount of \$330,000. Mrs. Jackson seconded the motion, which passed by unanimous vote.

Mr. Donaldson also presented a summary report and settlement recommendation from our defense attorney, Robin Dambrino of Gore Kilpatrick Dambrino, in the case of Glen Kennamore, et al. vs. Mississippi Department of Public Safety. Following discussion which included the Supreme Court's standard for police pursuits, Mr. Lanford made a motion to authorize settlement authorization up to \$210,000. Mrs. Kelsey seconded the motion, which passed unanimously.

Mr. Lanford made a motion for the Board to enter Closed Session for the discussion of possible litigation. Mrs. Jackson seconded the motion, which passed. Mr. Lanford then made a motion to set the agenda to discuss litigation strategies regarding the solvency of a political subdivision. Mrs. Jackson seconded the motion, which passed. Lastly, Mr. Lanford made a motion for the Board to enter Executive Session, which was again seconded by Mrs. Jackson and passed unanimously. Chairman Beckett asked all visitors to clear the room. Mr. Woodcock made a report to the Board. Mr. Lanford then made a motion to exit Executive Session. Mrs. Kelsey seconded the motion, and the motion passed with a unanimous vote.

There being no further business to come before the Board, the meeting was adjourned.



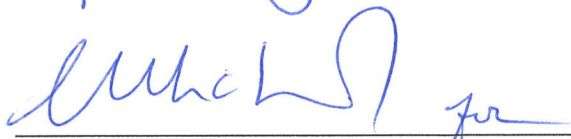
P. RYAN BECKETT, CHAIRMAN



MIKE CHANEY, BOARD MEMBER



LYNN FITCH, BOARD MEMBER



JIM HOOD, BOARD MEMBER

GARY RIKARD, BOARD MEMBER

Albert Santa Cruz
ALBERT SANTA CRUZ, BOARD MEMBER
by James W. Young, Jr.

Kevin J. Upchurch
KEVIN J. UPCHURCH, BOARD MEMBER

**MISSISSIPPI TORT CLAIMS FUND
INVESTMENT POLICY
ADOPTED NOVEMBER 12, 2015**

Statement of Investment Objectives

The Tort Claims Fund was created under MISS. ANN. CODE §11-46-17. The Tort Claims Board authorized the State Treasurer to prudently invest the assets of the Fund pursuant to MISS. ANN. CODE §27-105-33. The State Treasurer may choose to hire investment advisors with the approval of the Tort Claims Board. The purpose of this document is to delineate guidelines for these outside managers.

The assets of the Fund are to be invested only in fixed income securities. The various types of securities are restricted to those securities listed in the above mentioned legislation. The State Treasurer within his/her discretion may further limit the type and class of security. The State Treasurer will notify the investment manager(s) in writing in the event it further limits the type and class of security. The State Treasurer wishes all outside managers to be sensitive to the following:

1. All monies in the fund may be expended by the Mississippi Tort Claims Board for any and all purposes for which the Board is authorized to expend funds under the provisions of the law.
2. The principal of the Fund shall be invested as provided by the above mentioned legislation.
3. The Fund's income may be appropriated by the Mississippi Legislature.
4. Earnings from investment funds shall be net of fees.
5. Management fees shall be paid quarterly based on market value.
6. In providing asset management services to the Fund, managers should remain mindful that they are investing on behalf of a public fund and are expected to comply fully with this Investment Policy at all times. To that end, they are expected to manage risk of the Fund relative to the benchmark and always in a fiduciary capacity. Violation of Investment Policy restrictions may result in immediate termination of the investment management relationship.

Review of Investment Manager Procedures

The schedule for the Review is as follows:

- A. Performance evaluation and policy compliance reviews will be conducted quarterly.

- B. Each investment manager is expected to make a formal presentation to the Tort Claims Board at the bi-monthly Board meeting in Jackson, Mississippi.
- C. Each investment manager is expected to make a formal presentation annually in Treasury offices located in Jackson, Mississippi.
- D. Representatives of the State Treasury or Tort Claims Board may elect to visit investment managers periodically at the manager's place of business.
- E. Investment managers may be asked to attend special meetings during the review process.

The performance evaluations will include the following general areas:

- A. The investment manager's adherence to the policy guidelines (i.e. their current performance versus expectations).
- B. The opportunities available in their sector of the capital markets.
- C. Material changes in the manager's organization such as investment philosophy, personnel changes, acquisitions or losses of major accounts, etc.

Performance Expectations

Listed below are the guidelines for return targets. These targets are expected to be achieved without exceeding the risk (as defined in Item B of this section) of the benchmark.

The performance standards over a three-year period are as follows:

- A. Exceed the performance of the Custom Benchmark gross of management fees:
 - Blended 70% of the BofA Merrill Lynch 3-5 Year Agency index and 30% of the BofA Merrill Lynch 3-5 Year MBS index.
- B. The risk associated with the manager's portfolio as measured by the variability of quarterly returns (standard deviation), must not exceed that of the above-mentioned index.

Portfolio Requirements

1. Minimum **10 percent** of the total portfolio must be in direct U.S. Treasury Obligations.
2. Maximum weighting in the MBS/CMO sector is not to exceed **30 percent** of the total portfolio.
3. The maximum maturity of a single issue (excluding MBS/CMO issues) shall not exceed **10 years**.

4. The weighted average life of the total portfolio shall not exceed **3.5 years**.
5. For MBS/CMO issues, the final maturity of any issue shall not exceed **30 years** from the date of issuance and the weighted average life shall not exceed **5 years**. Underlying collateral of any CMO issue should be limited to conventional mortgage loans issued by GNMA, FNMA, FHLMC or other government Agency issuers. For MBS and CMO issues, whole-loan or private-label mortgage issuers are not permitted in the portfolio.

Allowable Investments

The following represents a listing of allowable investments:

1. Bonds, notes, bills, debentures and other securities issued by the United States, any federal instrumentality, agency and/or government sponsored enterprise that are fully guaranteed by the United States, any federal instrumentality, agency and/or government sponsored enterprise or repurchase agreements guaranteed by the U.S. government.
2. Mortgage-backed pass-through securities (MBS) and collateralized mortgage obligations (CMOs) guaranteed and issued by any federal instrumentality under authority of an Act of Congress such as the Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), and Federal Home Loan Mortgage Corporation (FHLMC).
3. Other investments may be added from time to time as determined by the Mississippi State Legislature and approved by the State Treasurer's office. The State Treasurer will notify the investment manager(s) in writing if any such other investments are added.

Reporting Requirements

1. Managers will be expected to provide monthly statements and more comprehensive quarterly reports. Quarterly reports should provide a market overview, portfolio statistics, policy compliance, and returns for the quarter, fiscal year-to-date, calendar year-to-date, 1-year, 3-year (annualized), 5-year (annualized), and since inception (annualized), as well as a list of holdings as of quarter-end. Portfolio statistics should be presented in comparison to the index.

Restrictions

The following restrictions are applicable:

1. The assets of this Fund cannot be commingled in investments such as mutual funds.
2. Neither futures nor options will be allowed.

3. No derivatives will be allowed.
4. No mortgage-backed securities other than those stated in Item 2 in the Allowable Investments section.
5. No reverse mortgage securities will be allowed.

Chairman, Tort Claims Board

Date

State Treasurer

Date

Mississippi Tort Claims Board 2015 Meeting Dates

January 14, 2016

Suite 138, Conference Center North
Woolfolk Building, Jackson, Mississippi
1:30pm

March 10, 2016

Suite 138, Conference Center North
Woolfolk Building, Jackson, Mississippi
1:30pm

May 12, 2016

Suite 138, Conference Center North
Woolfolk Building, Jackson, Mississippi
1:30pm

July 14, 2016

Suite 138, Conference Center North
Woolfolk Building, Jackson, Mississippi
1:30pm

September 8, 2016

Suite 138, Conference Center North
Woolfolk Building, Jackson, Mississippi
1:30pm

November 10, 2016

Suite 138, Conference Center North
Woolfolk Building, Jackson, Mississippi
1:30pm

MISSISSIPPI TORT CLAIMS BOARD
Combined Financial Report - Fiscal Year 2016
Fund 3080

-----CASH FLOW ANALYSIS-----

| | September | October | Year-To-Date |
|-------------------------------------|-------------------------|-------------------------|------------------------|
| REVENUE: | | | |
| Assessments Received | 0.00 | 2,965,969.17 | 2,965,969.17 |
| Interest | 14.67 | 2,214.99 | 2,262.45 |
| Investment Interest | 48,988.17 | 25,398.07 | 87,545.10 |
| Sale of Scrap | 0.00 | 0.00 | 512.00 |
| Transfer In Funds | 500,000.00 | 250,000.00 | 1,000,000.00 |
| Total Revenue | \$ 549,002.84 | \$ 3,243,582.23 | \$ 4,056,288.72 |
| EXPENSES: | | | |
| Claim Losses - TCB and TPA | 455,194.04 | 198,666.41 | 825,182.82 |
| Legal Expenses - TCB and TPA | 61,735.91 | 101,995.44 | 173,650.95 |
| Other Expenses - TCB and TPA | 1,812.28 | 1,884.55 | 10,224.32 |
| Administrative Expenses Paid | 65,952.20 | 114,375.38 | 295,493.27 |
| Transfer of Funds - Out | 500,000.00 | 250,000.00 | 1,000,000.00 |
| Total Expenses | \$ 1,084,694.43 | \$ 666,921.78 | \$ 2,304,551.36 |
| FUNDS ON HAND: | | | |
| Beginning Balance | \$ 13,717,380.21 | \$ 13,181,688.62 | |
| Revenue | 549,002.84 | 3,243,582.23 | |
| Expenses | (1,084,694.43) | (666,921.78) | |
| Adjustments | 0.00 | 0.00 | |
| Total Funds | \$ 13,181,688.62 | \$ 15,758,349.07 | |
| Cash in Treasury | \$ 105,153.09 | \$ 2,627,067.85 | |
| Investment in Treasury | \$ 12,783,301.00 | \$ 12,783,301.00 | |
| TPA Trustmark Bank Balance | 293,234.53 | 347,980.22 | |
| Total Funds By Account | \$ 13,181,688.62 | \$ 15,758,349.07 | |
| Less Reserves | \$ 8,803,327.58 | \$ 10,173,448.23 | |
| Unencumbered Funds Available | \$ 4,378,361.04 | \$ 5,584,900.84 | |

-----CLAIMS/RESERVES DETAIL (Year-To-Date)-----

| | MTCB | CCMSI | TOTAL |
|--------------------------------------|----------------------|-------------------------|------------------------|
| Claims - Payments | \$ 29,312.64 | \$ 795,870.18 | \$ 825,182.82 |
| Claims - Legal Expenses | 173,650.95 | - | 173,650.95 |
| Claims - Other Expenses | - | 10,224.32 | 10,224.32 |
| Total Paid Out to Date | \$ 202,963.59 | \$ 806,094.50 | \$ 1,009,058.09 |
| OUTSTANDING RESERVES | 615,112.18 | 9,558,336.05 | 10,173,448.23 |
| Total Claims & Reserves | \$ 818,075.77 | \$ 10,364,430.55 | 11,182,506.32 |
| Number of Claims Created | 258 | 250 | 508 |
| Number of Claims Paid | 86 | 209 | 295 |
| Total Open Claims | 247 | 535 | 782 |
| AVG. CLAIM \$ / # CLAIMS PAID | \$340.84 | \$3,807.99 | \$ 2,797.23 |
| AVG. RESERVE / OPEN CLAIMS | \$2,490.33 | \$17,866.05 | \$ 13,009.52 |

NOTE: Information represents combined operations for Treasury Fund 3080 and the Trustmark account (utilized by CCMSI).

MISSISSIPPI TORT CLAIMS BOARD

Budget Comparison Report

Treasury Fund 3080

Fiscal Year 2016

| Expenses: | Total Budget | September 2015 | October 2015 | Year To Date Expenditures | Ending Balance | Percent Expended |
|-----------------------|-------------------------------|-------------------------------|-----------------------------|-------------------------------|-------------------------------|----------------------|
| A1-Salaries | \$ 555,000.00 | \$ 46,031.91 | \$ 46,031.95 | \$ 185,397.81 | \$ 369,602.19 | 33.41% |
| A2-Travel | 8,000.00 | 1,244.50 | 93.73 | 1,338.23 | 6,661.77 | 16.73% |
| B-Contractual | 4,727,706.00 | 80,197.33 | 170,113.33 | 281,568.55 | 4,446,137.45 | 5.96% |
| C-Commodities | 8,300.00 | 198.62 | 117.26 | 673.78 | 7,626.22 | 8.12% |
| D2-Capital Outlay | 3,500.00 | 0.00 | 0.00 | 0.00 | 3,500.00 | 0.00% |
| E-Subsidies | 3,819,924.00 | 507,944.63 | 255,292.87 | 1,029,312.64 | 2,790,611.36 | 26.95% |
| SUBTOTAL | <u>\$ 9,122,430.00</u> | <u>\$ 635,616.99</u> | <u>\$ 471,649.14</u> | <u>\$ 1,498,291.01</u> | <u>\$ 7,624,138.99</u> | <u>16.42%</u> |
| TPA Expended | | <u>449,077.44</u> | <u>195,272.64</u> | <u>806,260.35</u> | | |
| TOTAL Expended | | <u>\$ 1,084,694.43</u> | <u>\$ 666,921.78</u> | <u>\$ 2,304,551.36</u> | | |

TRINITY

TRINITY CAPITAL INVESTORS

November 5, 2015

Ms. Lea Ann McElroy
Mississippi Tort Claims Board
P O Box 267
Jackson, MS 39205-0267

Re: October 2015 Portfolio Highlights

| | | |
|------------------------------|--------------|--------------------------|
| Total Portfolio | Book Value | \$12,999,292 |
| | Market Value | \$12,955,119 |
| | | |
| 2015 Internal Rate of Return | | 1.21% |
| Current Portfolio Book Yield | | 1.81% |
| Market Yield | | 1.74% |
| | | |
| Weighted Average Life | | Approximately 2.50 years |
| | | |
| 2015 YTD Earnings | | 154,422 |
| Accrued Interest | | 35,690 |

1675 Lakeland Drive Suite 400 Jackson, MS 39216
Telephone 601-956-3511
Fax 601-956-3513

PERFORMANCE REPORT **State of Mississippi Tort Claims**

October 2015

| | |
|--|------------|
| Portfolio Market Value December 31, 2014 | 12,710,803 |
| Contributions | |
| Withdrawals | |
| Realized Gains | 8,803 |
| Unrealized Gains | -44,173 |
| Interest / Dividends | 154,422 |
| Portfolio Market Value October 31, 2015 | 12,955,119 |
| accrued interest | 35,690 |
| Average Capital | 12,913,480 |
| Total Gain | 154,422 |
| IRR 2015 | 1.21% |
| Total Return 2015 | 2.56% |
| Current Yield | 1.81% |

Investment Performance Comparison

| | IRR | TRA |
|--------------|--------|-------|
| Account | 1.210% | 2.56% |
| Custom Index | 2.42% | 1.96% |

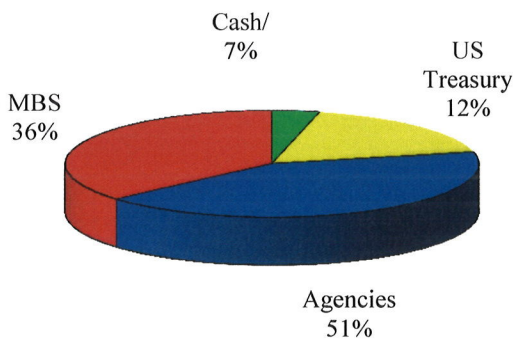
WAL of portfolio is 2.74 years

Trinity Capital Investors

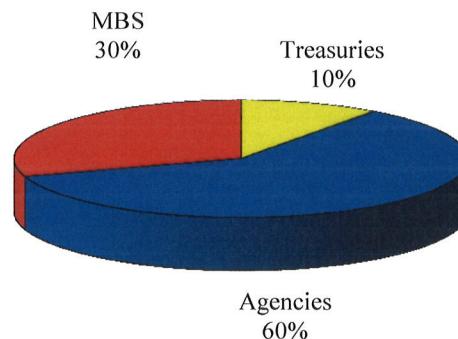
Portfolio Composition
October 2015

| Security Type | Par Value 10/31/2015 | Current Mix | Target 12/31/2015 | Goal Mix |
|-------------------|-------------------------|----------------|----------------------|-------------|
| Cash/ Liquidity | 475 | 4% | 0 | 0% |
| US Treasury | 2,300 | 18% | 1,300 | 10% |
| Agencies | 5,425 | 42% | 7,800 | 60% |
| Bullet Maturities | 500 | 9% | 1,560 | 20% |
| Callables | 4,925 | 91% | 6,240 | 80% |
| Floater | 0 | 0% | 0 | 0% |
| MBS | 4,715 | 37% | 3,900 | 30% |
| Floater | 0 | 0% | 0 | 0% |
| CMO | 4,715 | 100% | 3,900 | 100% |
| Pass Through | 0 | 0% | 0 | 0% |
| Municipals | 0 | 0% | 0 | 0% |
| Taxable | | 0% | 0 | 100% |
| Tax Free | | 0% | 0 | 0% |
| TOTAL | 12,915 | 100% | 13,000 | 100% |

**Security by Type
(Actual)**

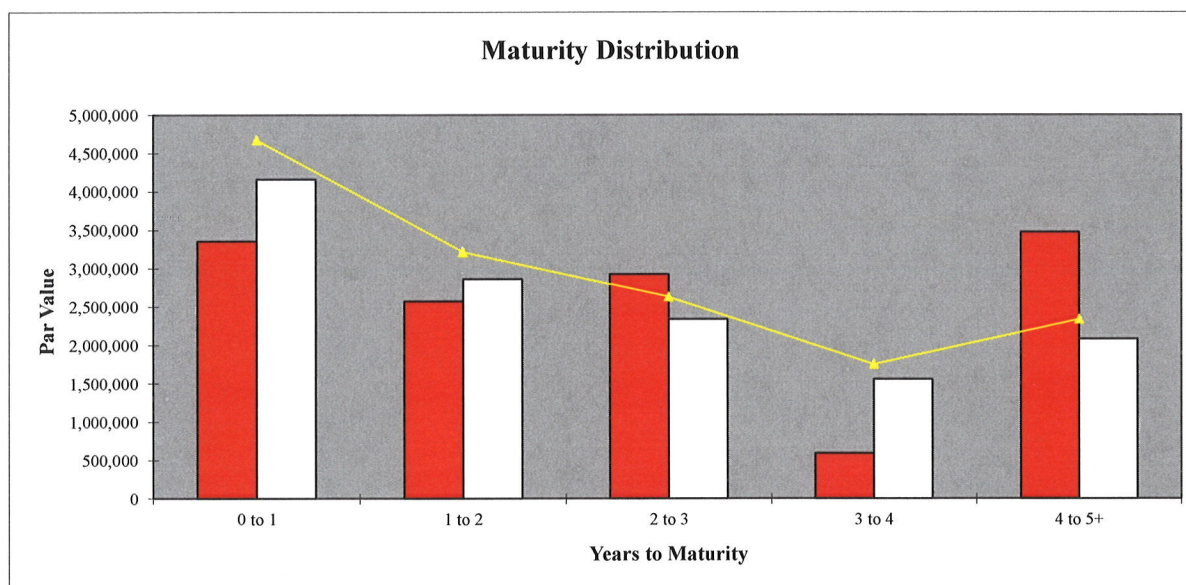


**Security by Type
(Goal)**



*Maturity Distribution
October 2015*

| Years to Maturity | 0 to 1 | 1 to 2 | 2 to 3 | 3 to 4 | 4 to 5+ | TOTAL | WAL |
|----------------------------|-----------|-----------|-----------|-----------|-----------|------------|------|
| Actual Par Value | 3,354,296 | 2,572,166 | 2,923,651 | 594,050 | 3,470,749 | 12,914,912 | 2.50 |
| Target Value Dec 2015 | 4,160,000 | 2,860,000 | 2,340,000 | 1,560,000 | 2,080,000 | 13,000,000 | 2.16 |
| Claims & IBNR a/o June '15 | 4,672,000 | 3,212,000 | 2,628,000 | 1,752,000 | 2,336,000 | 14,600,000 | 2.16 |



State of Mississippi
Tort Claims

Trinity Capital



STATE OF MISSISSIPPI
GOVERNOR PHIL BRYANT

MISSISSIPPI TORT CLAIMS BOARD
P. RYAN BECKETT, CHAIRMAN

MIKE CHANEY, Commissioner
Insurance Department
LYNN FITCH, Treasurer
Department of Treasury
JIM HOOD, Attorney General
Office of Attorney General

GARY RIKARD, Executive Director
Department of Environmental Quality
ALBERT SANTA CRUZ, Commissioner
Department of Public Safety
KEVIN J. UPCHURCH, Executive Director
Department of Finance and Administration

MEMORANDUM

TO: Mississippi Tort Claims Board
FROM: Steve Milner
DATE: November 12, 2015
RE: Loss Control Report

Since the last Board Meeting, loss control services for the Tort Claims Board include:

- 9 State Property Inspections
- 1 Emergency Responses
- 2 Defensive Driving Classes
- 2 Highway Construction Safety Assessments
- 1 Risk Management Assessment
- 1 Safety Planning Meeting
- 14 Days State Fair Duty



STATE OF MISSISSIPPI
GOVERNOR PHIL BRYANT

MISSISSIPPI TORT CLAIMS BOARD
P. RYAN BECKETT, CHAIRMAN

MIKE CHANEY, Commissioner
Insurance Department
LYNN FITCH, Treasurer
Department of Treasury
JIM HOOD, Attorney General
Office of Attorney General

GARY RIKARD, Executive Director
Department of Environmental Quality
ALBERT SANTA CRUZ, Commissioner
Department of Public Safety
KEVIN J. UPCHURCH, Executive Director
Department of Finance and Administration

MEMORANDUM

TO: Mississippi Tort Claims Board
FROM: Lea Ann McElroy
DATE: November 12, 2015
RE: Political Subdivisions – Certificates of Coverage

RECOMMENDATION: Staff recommends approval of 136 political subdivisions shown on attached list.

MISSISSIPPI TORT CLAIMS BOARD

Thursday, November 12, 2015

Political Subdivisions Recommended for Renewal of Certificate of Coverage

Abiaca Drainage District
Adams County Board of Supervisors
Adams County Soil and Water Conservation District
Alcorn County Board of Supervisors
Alcorn County Soil and Water Conservation District
Amite County Board of Supervisors
Atchafalaya Drainage District
Attala County Board of Supervisors
Bassfield Fire Department
Beaver Dam Drainage District
Benton County Board of Supervisors
Birmingham Ridge Volunteer Fire Department
Black Creek Drainage District
Bobo Bayou Drainage District
Bolivar County Board of Supervisors
Bush Outlet Drainage District
Calhoun County Board of Supervisors
Carroll County Board of Supervisors
Carroll County Soil and Water Conservation District
Chickasaw County Board of Supervisors
Choctaw County Board of Supervisors
Claiborne County Soil and Water Conservation District
Clermont Harbor-Lakeshore Fire Protection District
Coahoma County Board of Supervisors
Coahoma County Soil and Water Conservation District
Columbus Municipal School District
Copiah County Board of Supervisors
Copiah County Soil and Water Conservation District
Covington County Board of Supervisors
Deep Bayou Drainage District
Desoto County Soil and Water Conservation District
Drainage District #2
Drainage District #7
Drainage District #8
Drainage District #10
East Covington VFD

Fighting Bayou Drainage District
Forrest County Board of Supervisors
George County Soil and Water Conservation District
Glendora City Clerk
Golden Triangle Regional Solid Waste Management Authority
Greene County Board of Supervisors
Greenwood-Leflore Public Library
Grenada County Board of Supervisors
Grenada County Firefighters Association
Harrison County Board of Supervisors
Hatchie Drainage District of Alcorn & Tippah Counties
Hinds County Board of Supervisors
Hinds County Fire District
Homewood Volunteer Fire Department
Houston School District
Hushpuckena Drainage District
Indian Creek Drainage District
Itawamba County Board of Supervisors
Jackson County Board of Supervisors
Jackson County Fire District
Jasper County Board of Supervisors
Jefferson County Board of Supervisors
Jefferson County Fire District
Jefferson Davis County Board of Supervisors
Jones Bayou Drainage District
Jones County Fire Council, Inc.
Kemper County Board of Supervisors
Lafayette County Board of Supervisors
Lafayette County School District
Lafayette County Soil and Water Conservation District
Lane Bayou Drainage District
Lauderdale County Soil and Water Conservation District
Leake County Board of Supervisors
Leake County School District
Little O'Possum Drainage District
Lost Lake Drainage District
Lowndes County Board of Supervisors
Madison County Board of Supervisors
Madison County School District
Marion County Board of Supervisors
Marks Drainage District
Marshall County Board of Supervisors

Marshall County Soil and Water Conservation District
Meridian Community College
Mid-Mississippi Development District
Mid-Mississippi Regional Library System
Mississippi Coast Transit Authority
Monroe County Board of Supervisors
Monroe County Soil and Water Conservation District
Moorhead Drainage District
New Porter Water Management District
North Tunica County Fire Protection District
Northeast Lamar Fire and Rescue
Noxubee County Board of Supervisors
Oktibbeha County Board of Supervisors
Oktibbeah County Volunteer Fire Departments
Pace Drainage District
Pearl River Community College
Perry County Board of Supervisors
Perry County School Board
Pike County Board of Supervisors
Pike County Soil and Water Conservation District
Pontotoc County Board of Supervisors
Poplarville Volunteer Fire Department
Prentiss County Board of Supervisors
Quitman County Soil and Water Conservation District
Rankin County Board of Supervisors
Rankin County Fire Services
Region Eight Mental Health Services
Region XII Commission on Mental Health and Retardation
Rocky Bayou Levee & Drainage District
Runnelstown Water District
Scott County Board of Supervisors
Shaw Drainage District
Short Bayou Drainage District
Simpson County Board of Supervisors
Sledge Bayou Drainage District
Smith County Board of Supervisors
Squirrel Lake Drainage District
Starkville Oktibbeha Consolidated School District
Starkville-Oktibbeha County Public Library System
Stone County Board of Supervisors
Strayhorn Creek Drainage District
Tate County Board of Supervisors

Tate County Soil and Water Conservation District
Tate-Panola Drainage District
Tippah County Board of Supervisors
Tishomingo County Board of Supervisors
Topashaw Canal Drainage District
Tri-County Hopson Bayou Watershed District
Union County Board of Supervisors
Union County Soil and Water Conservation District
Upper Quiver River Drainage District
Warren County Board of Supervisors
Warren County Fire Service
Washington County Soil and Water Conservation District
Wayne County Board of Supervisors
Webster County Fire District
Webster County School District
Yalobusha County Board of Supervisors

TOTAL 136



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Department of Finance and Administration

MEMORANDUM

TO: MS Tort Claims Board
FROM: Lea Ann McElroy
DATE: November 12, 2015
RE: Mississippi School Boards Association (MSBA) Liability Trust

RECOMMENDATION: Staff recommends approval of the proposal with the following notations:

- Membership has increased from 15 to 19 school districts
- Per Mr. Burkhalter:
 - The first estimate of General Liability losses are coming in below their pro-forma projections in the feasibility study.
 - The first estimate of Auto Liability losses are coming in higher than previously projected.
 - On balance, the combined projected losses in their first year of operation are significantly lower than those projected in the feasibility study.
- 90% funding of projected liabilities falls around \$469,000
- Trust has a balance of \$602,882
- MSBA will continue quarterly reporting through second year



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Department of Finance and Administration

MEMORANDUM

TO: Mississippi Tort Claims Board
FROM: Bruce Donaldson
DATE: November 12, 2015

Estate of Miguel Nieves vs. Mississippi Department of Public Safety
2014-0000539

Gaines & Daniels vs. Mississippi Department of Public Safety
2012-0000229

Estate of Woods & Lindsey vs. Mississippi Department of Transportation
208-0000565